Promotion of FPI in the Rural Sector

341. SHRI RAJNITI PRASAD : Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to :

(a) the details of initiatives to promote food processing industries in the rural sector;

(b) whether it is a fact that during the harvest season there is abundance of perishable commodities in the market and producers are forced to sell the produce at unremunerative rates far below the cost of production; and

(c) if so, what steps/measures are being taken to encourage setting up of small medium scale food processing units in rural/ backward regions of Bihar?

THE MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAY) : (a) to (c) Ministry of Food Processing Industries extends financial assistance in the form of grant-in-aid @ 25% of the cost of plant & machinery and technical civil works subject to a maximum of Rs. 50 lakhs in general areas or 33.33% subject to a maximum of Rs. 75 lakhs in difficult areas under the Scheme of Setting up/Modernization/Expansion of food processing industries.

Apart from this, the Ministry of Food Processing Industries has been implementing various plan schemes for promotion and development of food processing sector including rural areas *i.e.* i) Scheme for Infrastructure Development with major components *i.e.* Mega Food Park, Cold Chain, Modernization of Abattoirs and Value Added Centres, ii) Scheme for Quality Assurance, Codex Standards and R&D, iii) Scheme for Human Resource Development, iv) Scheme for Strengthening of Institution and v) Scheme for Upgradation of Quality of Street Food.

Financial assistance to exporters, producers, growers, cooperative organizations and towards setting up of infrastructure facilities in horticulture sector like integrated pack houses and vapour heat treatment plants is provided by Agricultural and Processed Products Export Development Authority (APEDA) under Ministry of Commerce and Industry under its plan scheme.

The Government also fixes Minimum Support Prices (MSPs) for major agriculture commodities and organizes purchase operations through public and cooperative agencies. The Government decides on the MSPs for various agricultural commodities taking into account the recommendations of the Commission for Agricultural Costs and Prices, views of the STATE GOVERNMENTS and other relevant factors.

Besides, in order to increase level of processing and to promote food processing industries to exploit both the domestic and international market potential for food products, Vision 2015 Document has been finalized by the Ministry of Food Processing Industries which envisages tripling the size of the processed food sector by increasing the level of processing of perishables from 6% to 20% value addition from 20% to 35%.